

CITY COUNCIL AGENDA ITEM COVER MEMO

FOR AGENDA OF COUNCIL MEETING/WORK SESSION - DATE: 06/14/2012

ACTION REQUESTED BY: Huntsville Utilities

COUNCIL MEMBER: N/A

DISTRICT: N/A

SUBJECT MATTER: Electric Engineering Consulting Services

EXACT WORDING FOR AGENDA: Resolution authorizing the approval for an engineering consultant to determine the compatibility of the electric substations, AMI, SCADA, etc. with NERC standards. (Utilities: Electric)

ORDINANCE:

RESOLUTION: X

MOTION:

(IF AMENDMENT, STATE TITLE AND NUMBER OF ORIGINAL): N/A

ITEM IS TO BE CONSIDERED FOR:

INTRODUCTION:

ACTION: X

DISCUSSION:

UNANIMOUS CONSENT REQUIRED? No

BRIEFLY STATE WHY THE ACTION IS REQUESTED; WHY IT IS RECOMMENDED OR NOT RECOMMENDED; WHAT COUNCIL ACTION WILL PROVIDE, ALLOW, OR ACCOMPLISH; ANY ASSOCIATED COST; BUDGETED (?); AND ANY OTHER INFORMATION THAT YOU THINK MIGHT BE HELPFUL. Approval of this purchase requisition will allow for the purchase of consultant services to determine our compatibility with NERC standards. NERC is changing their requirements which could require us to register as a transmission operator. This would require us to completely change how we operate, increase our costs significantly and subject us to large fines should we have a problem. Total estimated cost to Huntsville Utilities is \$38,000.00. (PR# 10086991)

MAYOR RECOMMENDS OR CONCURS? YES _____ NO _____ N/A _____

SIGNATURE: William C. Pippin, President & CEO

DATE: 05/25/2012

RESOLUTION NO. 12-_____

WHEREAS, the Huntsville Electric Utility Board has approved Purchase Requisition 10086991, which allows for a contract for Engineering Consultation services to evaluate the substations for NERC compatibility and assess the cyber security for AMI and SCADA for NERC compliance, at an estimated cost of \$38,000.00; and

WHEREAS, the expenditure of such amount being in excess of the sum of \$25,000.00 requires the consent and approval of the City Council of the City of Huntsville, Alabama.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the contract for Engineering Consultation services to evaluate the substations for NERC compatibility and assess the cyber security for AMI and SCADA for NERC compliance, at an estimated cost of \$38,000.00, be, and the same is hereby approved, and the written consent and approval of the City Council of the City of Huntsville, Alabama, is hereby given to the Huntsville Electric Utility Board for the expenditure of sufficient funds from the proper fund belonging to the Huntsville Electric Utility Board.

ADOPTED this the _____ day of _____, 2012.

President of the City Council of
The City of Huntsville, Alabama

APPROVED this the _____ day of _____, 2012.

Mayor of the City of Huntsville,
Alabama



HUNTSVILLE UTILITIES

Electricity – Natural Gas – Water

(256) 535-1200

www.hsvutil.org

P.O. Box 2048
Huntsville, AL 35804

REQUEST FOR APPROVAL

Purchase Requisition #10086991

PR #10086991– Huntsville Utilities, Engineering Consultation Services

For an Engineering Consultant to evaluate our substations on the premise of NERC compatibility and then to determine what steps we should take to not fall under NERC registration. Also, the consultant will assess our cyber security for AMI and SCADA and see how that matches with NERC compliance. Finally, the consultant will work with us to develop procedures to become more in-line with NERC compliance and best practices.

Total Estimated Cost: \$ 38,000.00